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emergency

LOANS



U.S. DEPARTMENT OF AGRICULTURE
Farmers Home Administration

February 1962

PA-490

EMERGENCY LOANS

Where Loans are Made

Emergency loans are made in areas designated by the Secretary of Agriculture where (1) serious losses in agricultural production have occurred as a result of drought, floods, storms, or some other natural calamity, and (2) there is a widespread need among the farmers of the area for credit to continue their normal farming operations and such credit cannot be obtained through commercial banks, cooperative lending institutions, or other responsible sources.

Emergency loans may also be made outside of designated areas to eligible applicants who have suffered severe production losses as a result of a natural disaster affecting only one or a few farms. Emergency loans are made under the provisions of the Consolidated Farmers Home Administration Act of 1961.

How Areas are Designated

When an emergency arises, the Farmers Home Administration State Director, acting on information obtained through and recommendations by local agricultural leaders, groups, and agencies, reports to the Farmers Home Administration Administrator in Washington. The report describes the nature and extent of the emergency, furnishes estimates of damage and losses sustained, and gives factual information concerning the availability of local credit and need for emergency credit. A recommendation for designation of the area is made to the Secretary if such action is justified.

Who is Eligible

Any established farmer or rancher in a designated area is eligible if he (1) is a citizen of the United States, (2) is unable to obtain from other lenders the credit required to continue his normal operations, (3) has reasonable prospects for success with the assistance of a loan, and (4) possesses the legal capacity to contract for the loan.

A farmer or rancher in a non-designated area must meet the four eligibility requirements listed above and, in addition show that he has suffered substantial production losses due to a natural disaster.

Loan Purposes

Loans may be made for the purchase of feed, seed, fertilizer, replacement equipment and livestock; for other essential farm and home operating expenses;

and for the replacement or repair of buildings, fences, drainage and irrigation systems on individual farms that were damaged or destroyed by the disaster. Loans may not be made for refinancing existing debts or to compensate applicants for their losses.

Repayment Terms

The interest rate is 3 percent. Repayment schedules depend upon the purposes for which funds are advanced and upon the estimated income of the applicant. For example, loans for crop production are usually scheduled for repayment when income from the crops is normally received. Loans for replacement of livestock and equipment are repayable over periods up to 7 years while loans for the repair of buildings and other improvements to real estate are usually repayable over periods up to 20 years.

Security Requirements

Loans are secured by (1) a first lien on all crops to be produced with the loan and on all livestock, farm machinery, and farm equipment purchased with loan funds, (2) the best lien obtainable on all other crops growing or to be grown, and (3) whenever necessary, the best lien obtainable on livestock, farm machinery, and farm equipment already owned by the applicant. Real estate security is always required when advances are made primarily for improvements to real estate, and in other instances when necessary to protect the Government's interest.

Applications

Application forms and full information concerning emergency loans may be obtained at county offices of the Farmers Home Administration.

State offices of the Farmers Home Administration

Alabama	Leu Building, Montgomery 4
Alaska	Rm. 501 Ross Building 209 S.W. Fifth Avenue, Portland 4, Oreg.
Arizona	6028 Federal Building 230 North First Avenue Phoenix 25
Arkansas	5503 Federal Office Building 700 West Capitol, Little Rock
California	2020 Milvia Street, Berkeley 4
Connecticut	Star Building 15 Pleasant Street, Concord, N.H.
Colorado	Room 134, New Custom House 19th and Stout Streets, Denver 2

Delaware	Appraisers Store Building 103 South Gay Street Baltimore 2, Md.
Florida	USDA Building 412 N.E. 16th Avenue, Gainesville
Georgia	Room 223, Peachtree-Seventh Building 50 Seventh Street, N.E., Atlanta 23
Hawaii	2020 Milvia Street, Berkeley 4, Calif
Idaho	Room 2503 Sonna Bldg. 910 Main St., Boise
Illinois	14 Federal Building, Champaign
Indiana	529 Park Building 611 North Park, Indianapolis 4
Iowa	413 Iowa Building 505 Sixth Avenue, Des Moines 9
Kansas	Rm. 420 New England Building 5th and Kansas Avenue, Topeka
Kentucky	1409 Forbes Road, Lexington
Louisiana	1429 Third Street, Alexandria
Maine	31 Central Street, Bangor
Maryland	Appraisers Store Building 103 South Gay Street, Baltimore 2
Massachusetts	Star Building 15 Pleasant Street, Concord, N.H.
Michigan	1405 South Harrison Road, East Lansing
Minnesota	203 Federal Courts Building, St. Paul 2
Mississippi	Room 400 Milner Building, Jackson
Missouri	812 Cherry Street, Columbia
Montana	P.O. Box 350, Bozeman
Nebraska	Room 428 Post Office Building, Lincoln 8
Nevada	2020 Milvia Street, Berkeley 4, Calif.
New Hampshire	Star Building 15 Pleasant Street, Concord
New Jersey	P.O. Box 1478, Trenton 7
New Mexico	Room 5323 Federal Building 517 Gold Ave. S.W., Albuquerque
New York	Byrne Building 236 W. Genessee Street, Syracuse 2
North Carolina	Room 319 1330 St. Mary's Street, Raleigh
North Dakota	P.O. Box 1317, Bismarek
Ohio	Room 316 Old Post Office Building Columbus 15
Oklahoma	Agricultural Center Office Building Farm Road, Stillwater
Oregon	Room 501 Ross Building 209 S.W. Fifth Avenue, Portland 4
Pennsylvania	208 Central Industrial Building 100 North Cameron Street, Harrisburg
Puerto Rico	P.O. Box 4269, San Juan 21
Rhode Island	Star Building 15 Pleasant Street, Concord, N.H.
South Carolina	Federal Office Building 901 Sumter St., Columbia

South Dakota	Christen and Hohm Building 239 Wisconsin Avenue, S.W., Huron
Tennessee	U.S. Court House Building 801 Broadway, Nashville 3
Texas	4400 Block, South General Bruce Drive, Temple
Utah	Old Terminal Building 222 South West Temple, Salt Lake City 1
Vermont	Star Building 15 Pleasant Street, Concord, N.H.
Virginia	400 North Eighth Street, Richmond 40
Virgin Islands	P.O. Box 4269 San Juan 21, Puerto Rico
Washington	214 P.O. Annex Building, Wenatchee
West Virginia	209 Prairie Avenue, Morgantown
Wisconsin	P.O. Box 1227, Madison 1
Wyoming	P.O. Federal Building First and Wolcott, Casper

This publication supersedes PA-432, Production Emergency Loans.



